

## Prayas (Energy Group) comments on the Draft Accreditation procedure for Carbon Verification Agency

As part of the rollout plan for India's carbon market of Carbon Credit Trading Scheme (CCTS), the Bureau of Energy Efficiency published a draft accreditation procedure and eligibility criteria for accredited carbon verification agencies (ACVA), and sought comments on the same. The following comments from Prayas (Energy Group) on the published draft are aimed at sharpening and improving the procedure, and enhancing the transparency of the operations of the proposed CCTS.

### 1. **ACVA management structure and team composition:**

- a. Paragraph 3.5.2 lists the set of competencies required within an ACVA. However, this list does not include competence in assessing GHG emissions, though this is specified later under paragraphs 3.6 and 3.7. It would be better to clarify in paragraph 3.5.2 also that the ACVA requires sufficient expertise in assessing GHG emissions.
- b. Under paragraphs 3.6 and 3.7 (tables 2 and 3), the verification teams are expected to have members with certification/training in GHG verification. However, it is not mentioned who will provide such certification or training, or which certificates would be recognised. These should be made clear.
- c. Under paragraphs 3.6 and 3.7 (tables 2 and 3), it is not clear why the number of team members is set to two. The team size is quite likely to depend on the complexity of the task and more members may be required in such cases. If the intention is to specify that there must be at least two team members, then it is better to state this as a requirement under the "Minimum requirements" column as "The team must consist of at least two team members".

### 2. **ACVA impartiality:**

- a. Paragraph 3.9 is critical and states the need for integrity and impartiality in the ACVA. The paragraph should also explicitly state that the ACVA shall have no conflict of interest with any of the entities that verifies or audits, and that the ACVA is not an affiliated entity to any of the entities being verified or audited through any kind of fiduciary, management or ownership relationship.
- b. Similarly, paragraph 4.1.2.d should not only include policies and processes for impartiality of the personnel of the ACVA but also oversight mechanisms to ensure that no conflict of interest or affiliate relationship arises with any entity being audited.

### 3. **Decision on accreditation:** Paragraph 4.4.2 states that the AAC shall issue a recommendation to the Bureau. It is not clear if the recommendation is binding on the Bureau, and what the procedure is if the Bureau disagrees with the recommendation. It would be good to clarify it in the interests of completeness and lack of ambiguity.

### 4. **Issuance of accreditation certificate:** In paragraph 4.5, it should also be mentioned that the Bureau would, upon issuance of the accreditation certificate, display the name of the ACVA on the ICM website. In addition, the Bureau should regularly update the website to list the audits or verifications done by each ACVA, including details such as name of audited/verified unit, year, and success/failure. This will help improve transparency and reassure all participants that the accreditation and verification procedure is working satisfactorily, and enable taking corrective actions if they are not.

### 5. **Withdrawal of accreditation certificate:** In paragraph 5.3, it should also be stated that, in such cases, the notice regarding withdrawal of certificate would be published on the ICM website,

perhaps accompanied by advertisements in some prominent newspapers, to ensure that the information is publicly known and obligated entities are not at risk of using such an agency.

6. **Some minor points:**

- a. Paragraph 1.1 should perhaps be rephrased, since the ACVA does not really verify if the GHG emission intensity has reduced as required. As per the current drafts, its role seems to be to audit the *procedures and mechanisms* of the obligated entity to ensure that its data collection and reporting is robust. The verification of GHG emission intensity reduction will be done by the Bureau or the market regulator based on data reported by the obligated entity based on its audited procedures.
- b. Paragraph 3.12.8 should read "Independence of the verification activity"
- c. Paragraph 4.3.1 can perhaps refer to the section of the document which describes the AAC.

7. **Some good points:** The draft procedure contains some very good provisions which are to be commended. These include provisions to ensure that the ACVA is accredited separately for each sector based on its competence (2.2), the need for the ACVA to have legally enforceable contracts (3.12.3), the need for the ACVA to have continued competence in the sectors it is auditing (4.1.2.c), and the provision to have public consultation before finalising an ACVA (4.2.4).

We hope the Bureau finds these suggestions useful. We are happy to provide any more clarifications on the same, and engage with the issue further.

Regards

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